

# RURAL LSC



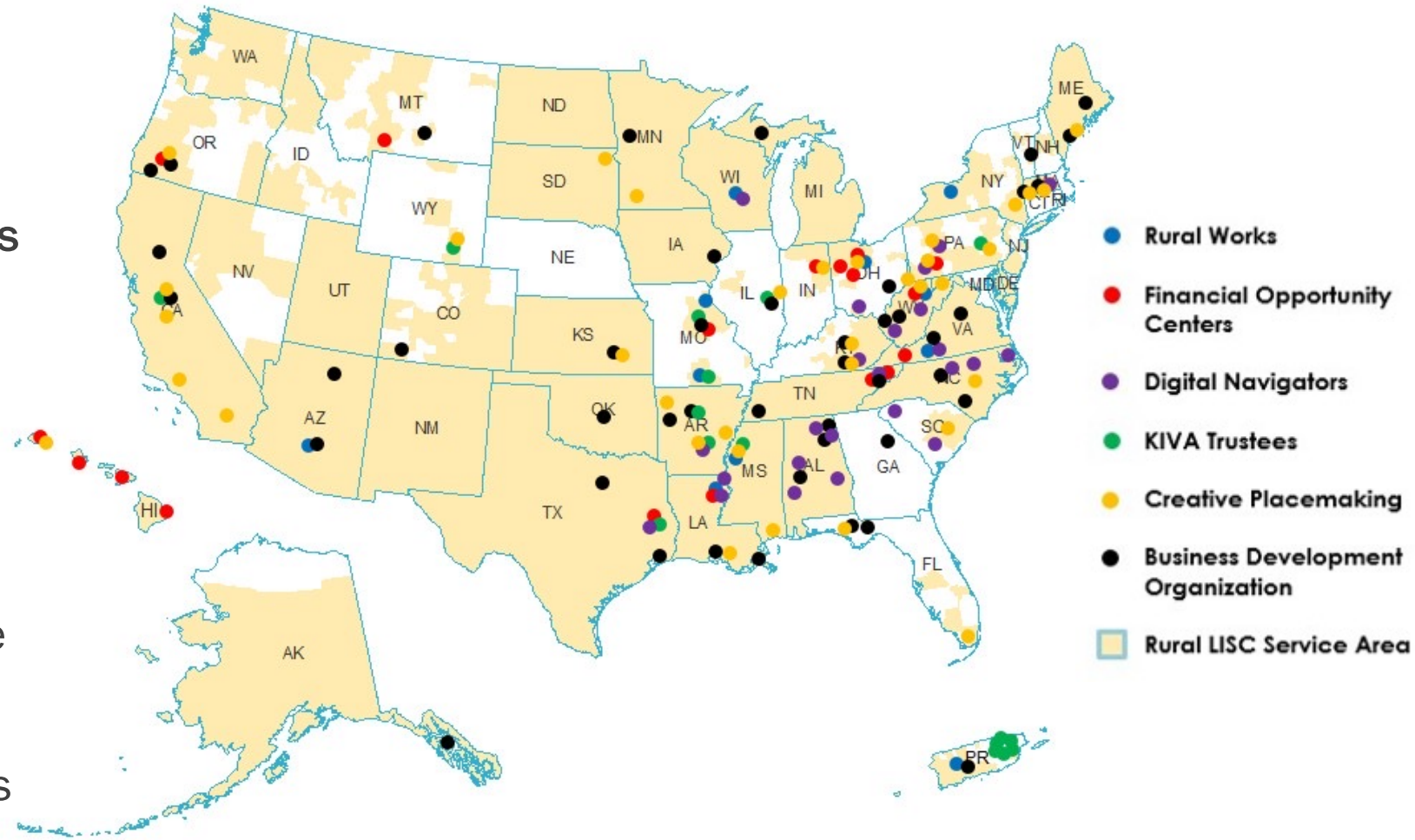
**We Believe in Rural America**

# Rural LISC Impact

For over 25 years Rural LISC has worked with and through grassroots partners located in rural communities and regions.

We are a **connector** and **cross-pollinator** for our partners, linking them to national opportunities, to each other and aggregating resources they might not otherwise access without our network.

Working closely with partners helps us cover a large national footprint.



**\*150+ local partners across 49 states and Puerto Rico**

[Click here](#) to view our interactive partner map.

**RURAL LISC**

# Definition of Rural

The geography where we work makes us unique. Rural is a mosaic.

Communities with USDA defined population size of 50,000 or less

Distance from a metro area and limited range of economic activities

Considerations of overall local resources and available federal funding



# The Rural Landscape

Over 20% of our country's population reside in rural places. That's 60 million people who live and work in rural communities.

Yet only 6% of National Philanthropy is directed towards rural communities. Rural areas also receive less lending capital (public and private) compared to urban areas.



# About CDFIs

**Community Development Financial Institutions** or CDFIs invest in highly underserved urban and rural areas.

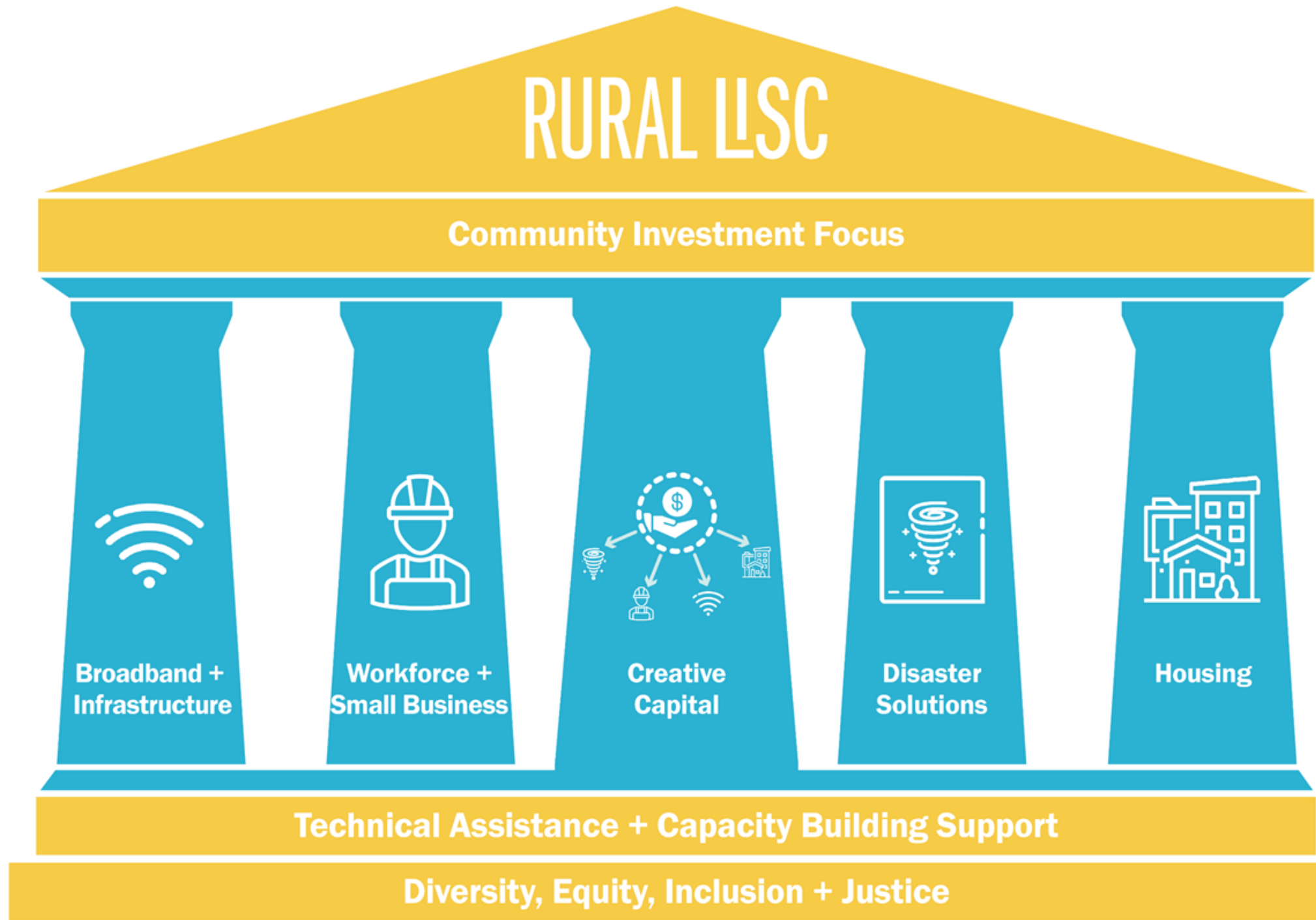
**CDFIs come in all shapes and sizes** (depository, non-depository); are spread across multiple geographies (some are very small while others are national in scale); and focus on key sectors of investment, including:

- Affordable housing
- Supportive housing
- Healthy food access
- Small business development/ Community-based Eco Dev
- Education and child-care
- Community health centers



Rural LISC strives to identify priorities and opportunities to **meet local needs** through integrated strategies and programs.

Our work is built on a foundation of **Technical Assistance & Capacity Building Strategies** and intentional **Diversity, Equity, Inclusion, & Justice** practices.



# When you partner with Rural LISC...



**Local community organizations increase their capacity and knowledge.**



**Individuals and families increase their net income and net worth.**



**Funding is leveraged from all levels for community-based solutions.**



**Families become homeowners.**



**Small businesses become long-term community staples.**



**Communities close the digital equity gap.**



**Communities rebuild and recover after disasters.**



**Individuals increase their job skills and career advancements**

# About LISC: 40+ Years of Impact

Since  
1979

LISC has worked with residents & partners to bridge the racial wealth gap and create resilient communities of choice and opportunity.

**\$82 billion**

leveraged

**\$29.7 billion**

invested

**81.5 million  
sq. ft.**

of community, retail and  
commercial space developed

**\$548 million**

total net assets

**489,000+ homes**

Affordable homes built and/or preserved

**AA-S&P Rated CDFI**

LISC is the first CDFI to tap the general obligation bond market, with a \$500 million issuance in 2022

## Three National Affiliates

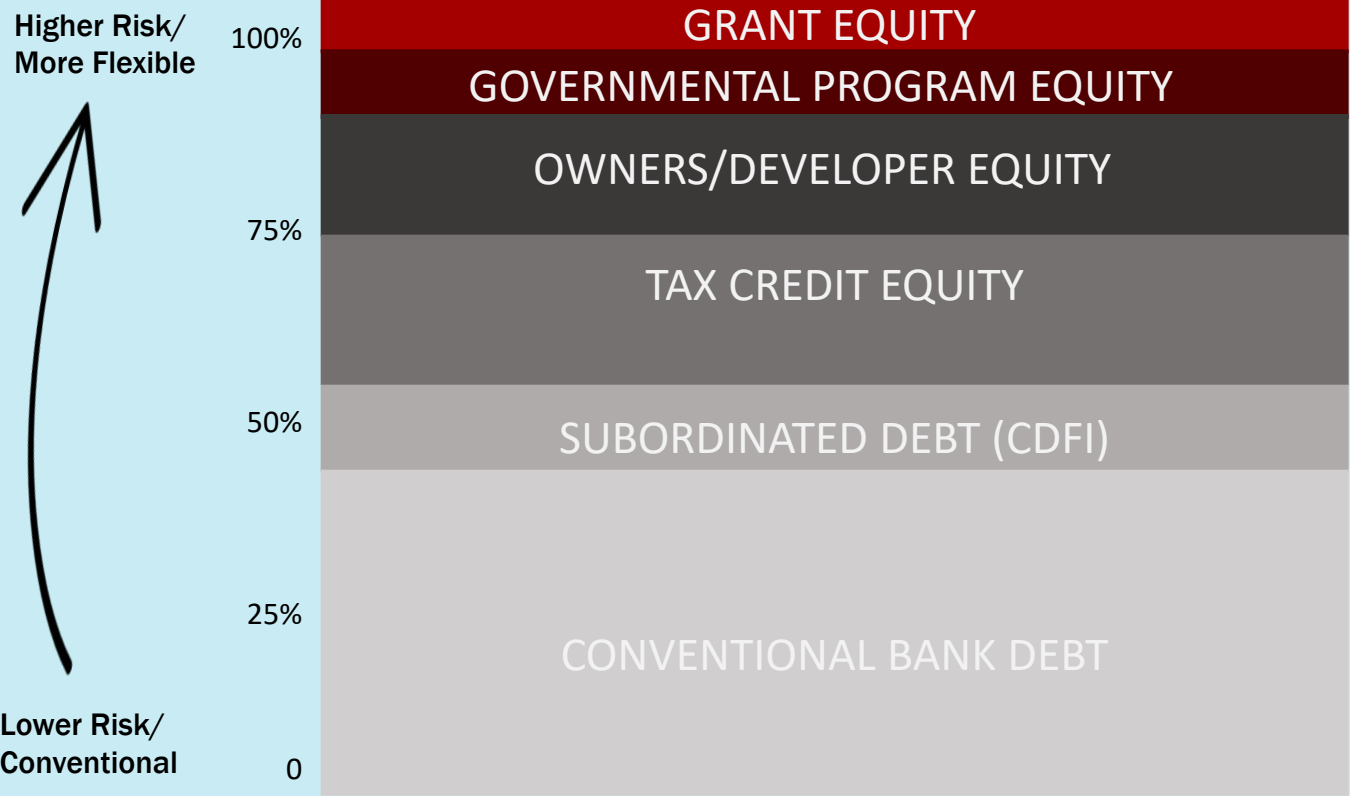
- National Equity Fund  
[www.nefinc.org](http://www.nefinc.org)
- New Markets Support Company  
[www.newmarkets.org](http://www.newmarkets.org)
- LISC Strategic Investments: Targeted Social Impact Funds  
[www.liscstrategicinvestments.org](http://www.liscstrategicinvestments.org)



# 2021 Rural LISC Investment by Entity

Entity	Total Investment	Grants	Loans	Equity	Units	Square Feet	Total Development Cost
RuralLISC*	\$24,407,378	\$15,659,172	\$8,748,206		1,474	636,560sf	\$201,644,936
Immito	\$3,553,500		\$3,553,500				
NEF	\$123,568,481			\$123,568,481	1,100		\$268,960.024
NMSC	\$15,360,000		\$15,360,000			225,265sf	\$118,412,371
<b>Total</b>	<b>\$166,889,359</b>	\$15,659,172	\$27,661,706	\$123,568,481	2,574	861,825sf	<b>\$589,017,331</b>

# Capital Stacking: Financial Layering + Partnering



# Why Partner with a CDFI?

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- CDFIs offer partners **a way of deploying resources** that does not require developing new skills as a lender or investor.
- CDFIs **can leverage (public and private) resources** with other capital, providing a degree of risk protection (credit enhancement).
- CDFIs are like mini-banks – **they conduct financing and underwriting transactions to keep costs down**, and **they provide direct TA** to help ensure the success of a project.
- Some CDFIs **serve as clearinghouses of information**, providing tool kits and best practices related to key sectors such as affordable housing/home ownership models, economic development, broadband planning, financial literacy, etc. Because of this, many CDFIs offer in-house subject matter expertise and direct TA.
- CDFIs are **great conveners and policy advocates** at the local and national level.

# Team Building/Partnering with a CDFI

## Programs

- CDFIs offer unique programs that directly support community investment needs such as:
  - financial literacy training
  - digital skilling
  - workforce development engagement & certification
  - homeownership counseling
  - financial readiness
  - childcare financing
  - educational investments
  - affordable housing
  - small biz supports
- CDFIs help fundraise to develop and deploy funding to support programs and non-profit organizations investing in these areas.

## Leverage

- CDFIs are great partners when it comes to understanding a capital stack and team building around common community investment opportunities.
- Consider partnering with a CDFI to go after state and federal resources and/or additional philanthropic resources needed to support a key community project.
- A CDFI can help add leverage and credibility to a deal and/or serve as a direct TA partner.

## Lending

- There are many types of CDFIs and different types of lending products.
- CDFIs strive to support a wide array of community facilities including grocery stores, health clinics, cafes, etc.
- Get to know your local, regional or statewide CDFI for additional information.

## Advocacy

- CDFIs are vocal and well networked; they help to amplify the voice of highly underserved areas.
- Consider partnering with a CDFI around key advocacy concerns that directly impact community development investment.

# Example P3 Partnerships

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- Healthcare: (Identifying an Anchor Partner)

Many rural hospitals are working to partner with CDFIs to address community development needs, from new facilities to housing to food security.

For more info see: [University of New Hampshire Carsey School of Public Health](#)

- Philanthropy: (Identifying a Financial Partner)

Corporate philanthropy and community foundations both partner with CDFIs to think through investment strategies and to provide subject matter expertise, such as in affordable housing and broadband investment.

For more info see: [Partnering with a CDFI to Drive Investments Broadband](#)

- Housing: (Identifying a Community Partner)

Developing and preserving safe, decent, affordable housing is a core component of community development strategies. CDFIs partner with CDCs to develop housing through grants and partnership collaboration.

For more information: [Rural LISC Health Housing](#)

# Partnering for Pull Down: Rural Community Development Resources

## Federal Government Sources of Capital

### **AFFORDABLE HOUSING**

- **USDA Multifamily Housing Direct Loans:**
  - This loan provides competitive financing for affordable multi-family rental housing for low-income, elderly, or disabled individuals and families in eligible rural areas. Construction and land purchase/improvements.

### **COMMUNITY FACILITIES**

- **USDA Community Facilities Direct Loan & Grant Program:**
  - This program provides affordable funding to develop essential community facilities in rural areas.

### **Other uses USDA Loans and Grants:**

- Capacity building, TA, broadband, infrastructure, housing
- **EDA:** Pre-Development (A&E) and Development; Infrastructure

## CDFIs (RURAL LISC) Resources

### **USDA Community Facilities Re-Lending Fund:**

- Rural LISC is an authorized re-lender for the USDA Community Facilities Loan program.
- Same qualifications and requirements as the USDA Community Facilities Direct Loan program listed above except administered through LISC.
- Long-term financing up to 35 years, fully amortized.
- If the project meets the qualifications, it does not need to go through a competitive process as it does through the USDA Direct Loan program.

**Rural LISC Lending:** Offering a wide range of loans, from pre-development to permanent financing, and we finance a wide variety of projects, from large affordable housing to small business loans. *\*Enterprise and HAC also provide unique lending opportunities*

## Local/State Government Sources of Capital

- Bonds
  - State Capital Outlay
  - CDBG and other allocations provided via the State
  - Broadband Dollars (State broadband office)
- ### **Tax Credits**
- New Markets
  - Low Income Housing Tax Credits

## Philanthropy

Community Foundations, Corporate Philanthropy, Family Foundations and High Net Worth Individuals - all integral to the capital stack

### **Social Impact Funds**

### **Seed Funding**

# Leading a Rural EDO: Closing Thoughts

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- Identify nontraditional (anchor) partners – create win-win solutions
- Prioritize key projects and match projects to resource opportunities and/or partners
- Be clear on focus areas
- Develop a rural investment strategy for your region in collaboration with public and private partners (incorporate housing as part of a larger eco dev strategy)
- Focus on rural advocacy (state and federal)
- Network to find resources and talent – new pilot programs always emerging
- Partner with national organizations/intermediaries on projects where feasible – helps grow visibility

# Additional Rural Resources for EDOs

- **Accessing CDFI Funds/Info:**
  - [CDFI Fund](#) (how to become a CDFI)
  - [Opportunity Finance Network](#) (resources on existing CDFIs and TA)
- **Federal Rural Resources :**
  - [U.S. Department of Agriculture \(USAD\)](#)
  - [U.S. Economic Development Administration \(EDA\)](#)
- **National Intermediaries:**
  - [NeighborWorks America](#)
  - [Housing Assistance Council \(HAC\)](#)
  - [Communities Unlimited](#)
  - [Enterprise Community Partners](#)
  - [Habitat for Humanity](#)
  - [Rural Community Assistance Partnership \(RCAP\)](#)



# Thank you!

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